



STATE OF CONNECTICUT
OFFICE OF POLICY AND MANAGEMENT

TESTIMONY OF
Benjamin Barnes
SECRETARY
OFFICE OF POLICY AND MANAGEMENT
Before the Appropriations, Human Services, and Energy and Technology
Committees

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FFY 2016 LOW INCOME HOME ENERGY ASSISTANCE PROGRAM
BLOCK GRANT ALLOCATION PLAN

Good afternoon Senator Bye, Representative Walker, Senator Moore, Representative Abercrombie, Senator Doyle, and Representative Reed, and distinguished members of the Appropriations, Human Services, and Energy and Technology Committees. I am Benjamin Barnes, Secretary of the Office of Policy and Management, and I am before you today to request your approval of the block grant allocation plan for the Low Income Home Energy Assistance Program (LIHEAP).

Although the federal budget for FFY 2016 has not been finalized, \$81.5 million in federal funds has been assumed. The proposed allocation plan assumes the LIHEAP block grant will be level funded through continuing resolutions based on the FFY 2015 level minus a 5% sequester budget cut pursuant to the Budget Control Act (BCA). Additionally, an estimated \$8.1 million in carryforward funds and \$200,000 in refunds and other adjustments are anticipated to be available. In total, \$89.7 million is expected to be available, which is \$9.8 million more than the \$79.8 million expended during the FFY 2015 program year.

The FFY 2016 plan maintains the three tiers of benefits that have been historically available:

- (1) Basic Benefits, which are available for eligible utility and deliverable fuel heated households with income less than 60% SMI, on a graduated basis based on household vulnerability¹ and income;
- (2) Crisis Assistance, which is available for eligible deliverable fuel heated households with income less than 60% SMI who have exhausted their Basic Benefits; and
- (3) Safety Net Assistance, which includes two installments for eligible deliverable fuel heated households with income less than 200% FPL who have exhausted both Basic and Crisis Assistance benefits and are in a life-threatening situation, and up to three installments if the household is considered vulnerable.

¹ A household is considered vulnerable if one or more of its members is either elderly (60 years of age or older), disabled, or under the age of six.

The majority of beneficiaries will see increased benefits under the proposed FFY 16 plan. Basic Benefit awards are being returned to the award amounts approved in FFY 2014 for Levels 1 through 3 non-vulnerable households and Levels 1 through 4 vulnerable households, which represents a 6% increase. In addition, the population formerly served under the Contingency Heating Assistance Program (CHAP) will now be receiving tiered Basic Benefits based on household income and vulnerability, resulting in higher benefits for those households with comparatively lower incomes or vulnerable members. Crisis Assistance benefits for Levels 1 through 4 households are increasing to \$550, and Crisis Assistance benefits for Level 5 households are increasing to \$250. Safety Net Assistance benefits are maintained at \$415. These increases mean that, including potential Safety Net Assistance benefits, vulnerable deliverable fuel-heated households will be eligible for up to \$2,380 in heating assistance, compared to \$2,210 in FFY 15, and non-vulnerable deliverable fuel-heated households will be eligible for up to \$1,915 in heating assistance, compared to \$1,750 in FFY 15.

As described above, the plan makes changes to the Basic Benefit design in order to help ensure that households with lower incomes or vulnerable members are eligible for awards that are more reflective of their energy assistance needs. Specifically, the FFY 2016 proposed plan restructures the Basic Benefit award levels by classifying households that would have previously been eligible for CHAP benefits into three new standard benefit level designations: Level 4 and Level 5 non-vulnerable and Level 5 vulnerable. In addition to more appropriately accounting for need based on household makeup and income level, this restructuring will make it easier for clients, stakeholders, and other interested parties to better understand the program design. Please see the chart below for an overview of the changes – as you can see, program eligibility is maintained to include all eligible households with incomes under 60% SMI, and higher benefit levels are targeted to those households with lower incomes and vulnerable members.

Income Guidelines	FFY 15 Approved		FFY 16 Proposed	
	<i>Vulnerable</i>	<i>Non-Vulnerable</i>	<i>Vulnerable</i>	<i>Non-Vulnerable</i>
Up to 100% FPL (\$24,250)	<i>Level 1</i> \$550	<i>Level 1</i> \$505	<i>Level 1</i> \$585	<i>Level 1</i> \$535
101%-125% FPL (\$24,251-30,312)	<i>Level 2</i> \$470	<i>Level 2</i> \$425	<i>Level 2</i> \$500	<i>Level 2</i> \$450
126%-150% FPL (\$30,313-36,375)	<i>Level 3</i> \$400	<i>Level 3</i> \$355	<i>Level 3</i> \$425	<i>Level 3</i> \$375
151%-200% FPL (\$36,375-48,500)	<i>Level 4</i> \$330	<i>CHAP</i> \$285	<i>Level 4</i> \$350	<i>Level 4</i> \$300
201% FPL-60% SMI (\$48,501-63,716)	<i>CHAP</i> \$285	<i>CHAP</i> \$285	<i>Level 5 (CHAP)</i> \$290	<i>Level 5 (CHAP)</i> \$240*

Note: Income amounts represent the 2015 guidelines for a family of four.

FPL = Federal Poverty Level

SMI = State Median Income

*Although Basic Benefits for the new Level 5 vulnerable population are decreasing from FFY 15, Crisis Assistance benefits are increasing for this population (from \$130 to \$250), resulting in overall increased benefits (18%) for these households that are deliverable fuel heated.

The proposed plan assumes 2% caseload growth, similar to the caseload growth seen in FFY 2014. Despite this assumption, we are maintaining the income eligibility for the program, and actually increasing the liquid asset limits by \$5,000. We anticipate that the asset limit change will allow up to 100 new households to receive energy assistance that were previously ineligible.

As you may recall, in February 2014, the Supplemental Nutrition Assistance Program (SNAP) was reauthorized as part of the 2014 Farm Bill. The language included a provision requiring that households receive a LIHEAP benefit greater than \$20 in order to automatically qualify for the Standard Utility Allowance under SNAP. The plan before you today continues to provide a LIHEAP SNAP benefit of \$20.01, which will allow over 100,000 households to receive higher SNAP benefits as a result of having their SNAP benefits calculated using the Standard Utility Allowance.

Finally, the FFY 16 LIHEAP plan includes \$1.5 million to assist with Furnace Repair and Replacement costs. These funds are set aside to provide repairs or replacement of heating systems for single family, owner-occupied dwellings which are determined to be unsafe or inoperable. Based on historical data, these funds are expected to serve between 225-300 households. These funds shall be available for eligible homeowners that receive a Level 1 through Level 4 Basic Benefit but will be prioritized for Level 1 through Level 4 vulnerable households.

The proposed allocation plan is a responsible and balanced plan that allows us to live within the anticipated federal dollars, provide increased benefits, and increase program eligibility. It has been endorsed by the Low Income Energy Advisory Board (LIEAB) and provides meaningful benefits to all households. As in prior years, the plan allows for increases in benefits should additional funding become available.

I urge your support of the LIHEAP allocation plan. Commissioner Bremby will be presenting his testimony and will be able to provide more detailed information on the allocation plan which is before you today. Thank you.